

KPMG Internal Audit update

TO	Audit and Risk Committee
FROM	Carole McKinley - Business Improvement Project Manager
DATE	28 November 2016
SUBJECT	KPMG Internal Audit update

1 Purpose of Report

To provide the Audit Committee with an update on the KPMG Internal Audit Reports received to date.

2 Background

As part of a three year Audit Programme, KPMG have provided us with two Internal Audit reports (Procurement and Contracts). An Action Schedule was developed by the Chief Financial Officer to provide the Audit Committee with on-going progress updates. Several of these items were reliant on an organisational owner being identified and this has now been achieved. (Carole McKinley, Business Improvement Manager)

3 Issue

Procurement and Contracts update provided by Carole McKinley Business Improvement Manager

4 Discussion

Procurement Update - The Chief Financial Officer (Steve Baker) has commissioned KPMG to deliver a Procurement Strategy and a Procurement Policy which is yet to be delivered. Once reviewed and authorised, these documents will provide overarching structure and guidance for the operational implementation.

The Business Improvement Manager (Carole McKinley) will undertake a review of all of the current action schedules. This will include the minor fixes undertaken to date in the Finance Team, and provide options and recommendations (via Management) to the Audit Committee.

In the interim, the Business Improvement Manager is investigating other Councils' examples of procurement activities, structures, guides and templates and will attempt to obtain material we can promptly implement; rather than "re-invent the wheel" and start from scratch.

Central government provides guidance and templates on various websites and this will also be reviewed and implemented where practical and appropriate.

Investigations and recommendations will be aligned with the content in the KPMG Internal Audit Report.

Contracts Update - The Infrastructure Manager (Bruce Hinson) has been the organisation lead on the KPMG Contracts report.

The recommendations in this report are closely aligned with the Procurement report, as

one activity follows the other and therefore need to be reviewed both separately and as a whole, to ensure that practical common sense is applied to resolving the matters that have been brought to our attention. Therefore the Business Improvement Manager (Carole McKinley) will also take ownership of this work.

5 Suggested Resolution(s)

That the Audit Committee receives the 'KPMG Internal Audit update' report, dated 28 November 2016.